

Indiana Long Term Care Insurance Program

Quarter 3-2010 Report

July 1, 2010 through September 30, 2010



Completed on November 24, 2010

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: July 1, 2010 – September 30, 2010

Report Prepared November 24, 2010

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending September 30, 2010, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 789!**
- **Cumulatively, 57,874 applications have been submitted with over 49,007 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 99.87% of all policies purchased in Q3'10 were comprehensive while 0.13% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 91.11% of all sales in (Q3'09) to 91.70% of all sales in (Q3'10).**
- **78.58% of policies purchased during Q3'10 qualify for Total Asset Protection. Cumulatively, 77.8% of all policies purchased qualify for Total Asset Protection.**
- **98.10% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 61.8. Age range of purchasers is 18 to 89.**
- **Cumulatively, 74% of all policyholders were age 65 or under at the time of purchase.**

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 3-2010	TO DATE
Applications Received:	1,044	57,874
Applications Denied:	186	9,075
Applications Pending & Withdrawn:	N/A	208
Policies Purchased:	789	49,007
Policies Dropped (voluntarily & for unknown reasons*):	132	5,973
Policies Not Taken Up: (dropped within 30 day free look period)	14	2,475
Total Policies In Force (active):	N/A	38,539
Policyholders Who Received Service Payments:	345	1,012

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending September 30, 2010
In Comparison To Cumulative Program Statistics**

	Quarter ending 9-30-2010	Cumulative as of 9-30-2010
Total Policies Purchased	789	49,007
Total Policies Dropped *	<u>220</u>	<u>10,297</u>
	Died 73 (33.18%)	Died 1,655 (16.07%)
	Voluntarily 58 (26.36%)	Voluntarily 2,623 (25.47%)
	Unknown 74 (33.64%)	Unknown 3,350 (32.53%)
	Not Taken Up 14 (6.36%)	Not Taken Up 2,475 (24.04%)
Policies Not Taken Up During 30 Day Free Look	Converted 0 (0.00%)	Converted 77 (0.75%)
	Exhausted Benefits 1 (0.45%)	Exhausted Benefits 68 (0.66%)
	Rescission 0 (0.00%)	Rescission 2 (0.02%)
	Non-Forfeiture 0 (0.00%)	Non-Forfeiture 47 (0.46%)
Policies in Force	N/A	38,539

**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	788 (99.87%)	35,339 (91.70%)
Nursing Home Only Policies	1 (0.13%)	3,142 (8.15%)
First Time Purchasers	774 (98.10%)	36,725 (95.29%)
Upgrades or Replacements	15 (1.90%)	1,755 (4.55%)
Individual	767 (97.21%)	36,486 (94.67%)
Group Certificates	1 (0.13%)	278 (0.72%)
Organization Sponsored	21 (2.66%)	1,716 (4.45%)
Male	364 (46.13%)	16,633 (43.16%)
Female	425 (53.87%)	21,848 (56.69%)
Married	689 (87.33%)	30,947 (80.30%)
Not Married	95 (12.04%)	7,225 (18.75%)
Unknown	5 (0.63%)	352 (0.91%)
Civil Union or Domestic Partner	0 (0.00%)	15 (0.04%)

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 3, 2010

PARTICIPATING COMPANIES:

Allianz – Individual	MedAmerica – Individual & Group: Tax Qualified
American Republic – Individual: Tax Qualified	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
Central States of Omaha – Individual: Tax Qualified	Mutual of Omaha
CNA –Individual/Group: Tax Qualified	Penn Treaty Network America - Individual
Genworth – Individual: Tax Qualified	Prudential Ins. Co of America – Tax Qualified
Hartford Life – Individual: Tax Qualified	Senior Health Ins. Co. of PA – Tax Qualified
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Massachusetts Mutual Insurance Company	Transamerica – Individual: Tax Qualified
	United Teachers Associates Insurance Company

19 companies provided data during Quarter 3, 2010.

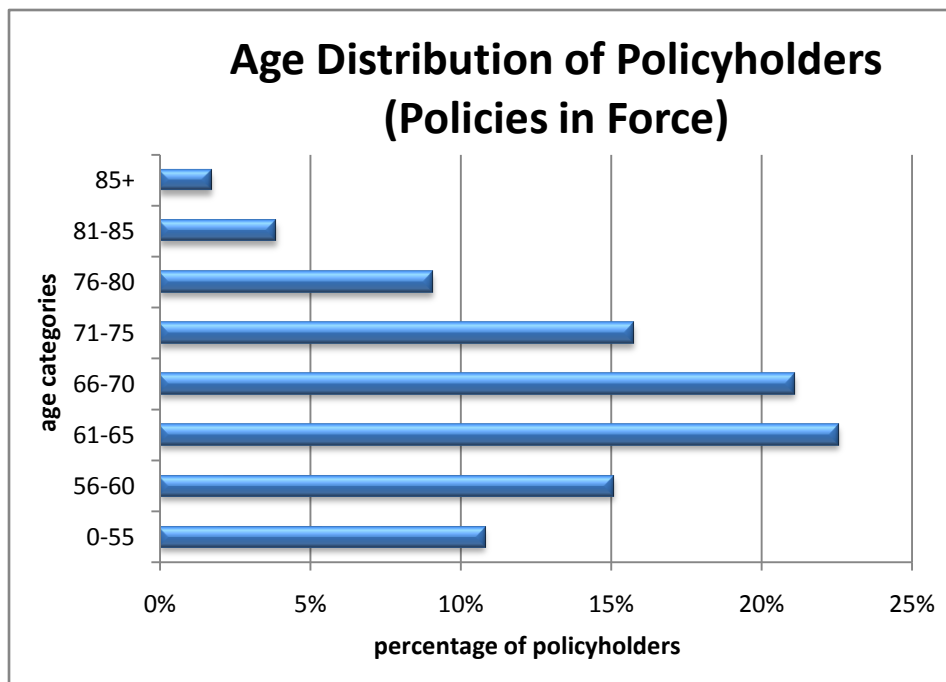
Age Distribution of Partnership Policyholders at Time of Purchase

Age Range Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.00
Group Certificate holders	23	75	50.43
Organization Sponsored	20	84	57.14
All Insured	18	89	60.72

Age Distribution of Policyholders (Policies in Force)

Age Category	Percentage of Policyholders
86+	1.71%
81-85	3.86%
76-80	9.06%
71-75	15.76%
66-70	21.09%
61-65	22.57%
56-60	15.09%
0-55	10.80%



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$141.29

Mode: \$150.00 (11% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$131.23

Mode: \$150.00 (9% of all purchasers)

Elimination Periods (Policies in Force):**Nursing Homes:**

0 days	1,523 (3.95%)
9 days	1 (0.01%)
15 days	43 (0.11%)
20 days	1,100 (2.85%)
30 days	5,269 (13.67%)
45 days	664 (1.72%)
50 days	1,700 (4.41%)
60 days	1,304 (3.38%)
90 days	15,371 (39.88%)
100 days	10,038 (26.05%)
120 days	2 (0.01%)
180 days	844 (2.19%)
365 days	2 (0.01%)

Home and Community Care:

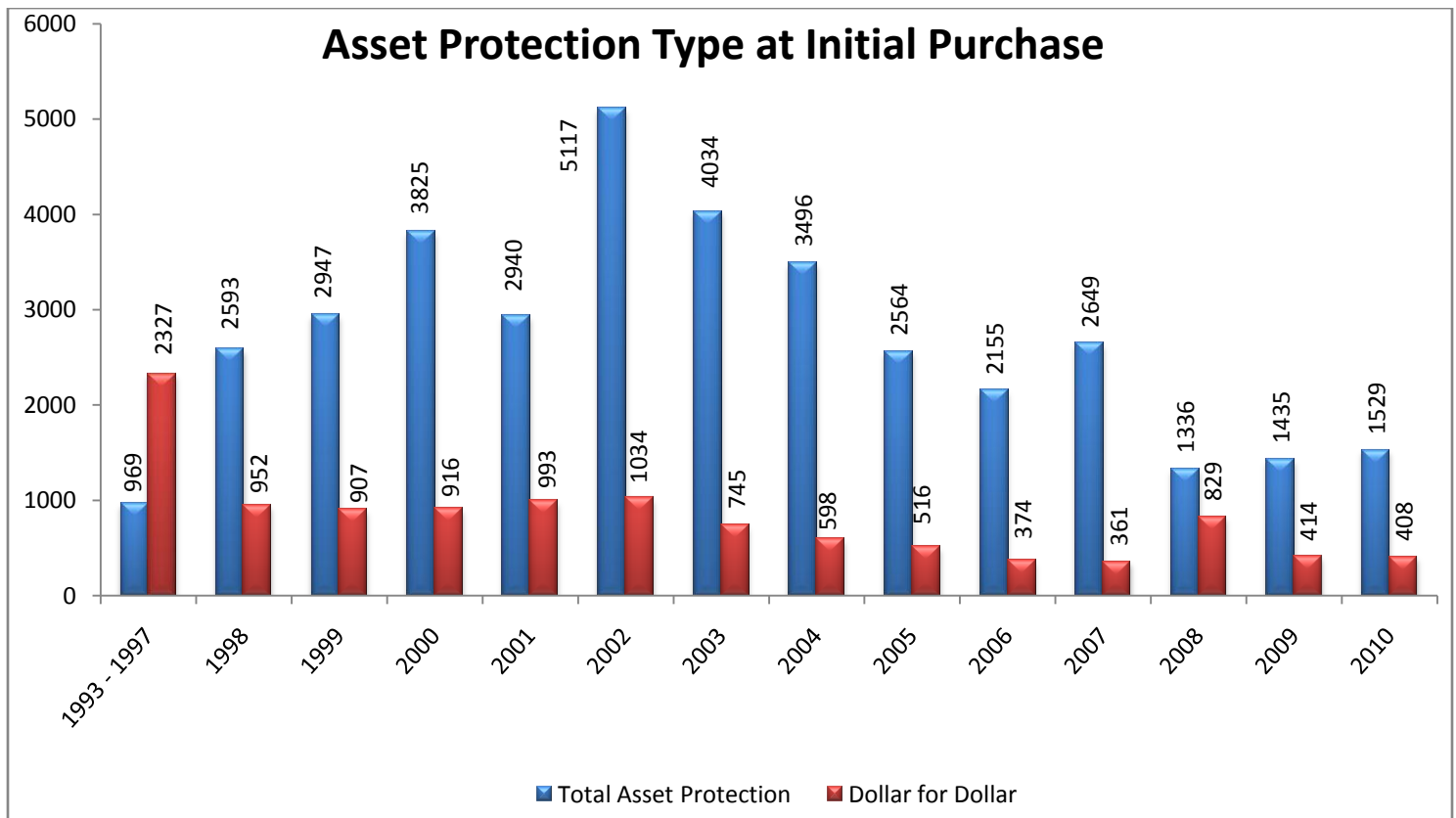
0 days	13,951 (36.20%)
10 days	3 (0.01%)
14 days	192 (0.50%)
15 days	29 (0.08%)
20 days	927 (2.41%)
30 days	4,159 (10.79%)
45 days	659 (1.71%)
50 days	24 (0.06%)
60 days	983 (2.55%)
90 days	10,018 (25.99%)
100 days	3,817 (9.90%)
180 days	675 (1.75%)
365 days	2 (0.01%)

Riders:

Non-Forfeiture	167	(0.43%)
Restoration of Benefits	470	(1.22%)
Spousal Benefit Enhancement	796	(2.07%)
Other Riders	1,180	(3.06%)

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 3-2010	Cumulative at Time of Purchase
Policies Purchased by Quarter	789
Policies Purchased by Cumulative	49,007
Total Asset Protection by Quarter	620
Total Asset Protection by Cumulative	38,123
Dollar for Dollar by Quarter	169
Dollar for Dollar by Cumulative	10,885



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

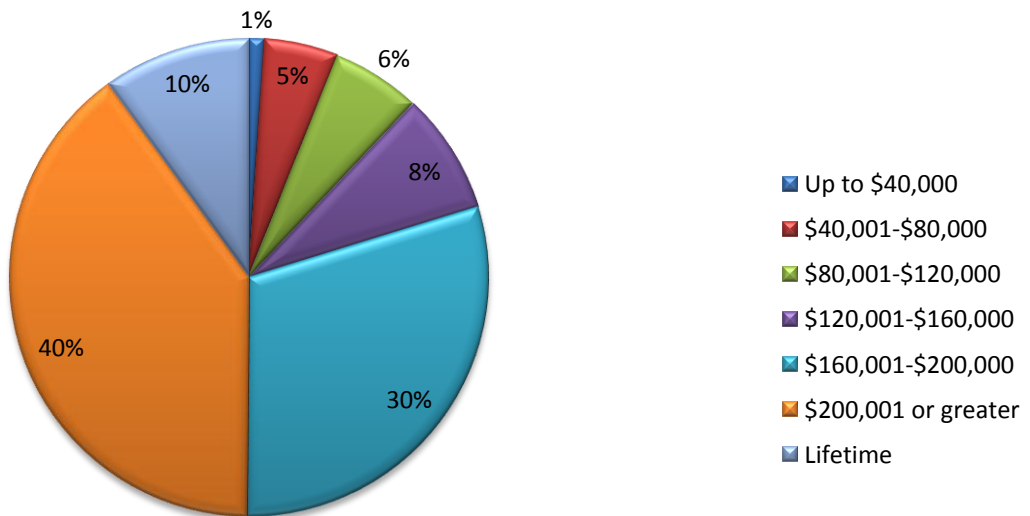
Maximum Policy Amount of Policies in Force:

Range: \$21,977 - \$6,504,300 (plus 3,897 lifetime policies)

Average amount: \$200,060 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000 Approx: (1 yr)	348 (0.90%)
\$40,001 - \$80,000 (2 yrs)	1,525 (3.96%)
\$80,001 - \$120,000 (3 yrs)	2,258 (5.86%)
\$120,001 - \$160,000 (4 yrs)	3,129 (8.12%)
\$160,001 - \$200,000 (5 yrs)	11,680 (30.31%)
\$200,001 or greater (6 yrs +) (excluding lifetime)	15,702 (40.74%)
Lifetime Policies	3,897 (10.11%)



Policyholders in Benefit Information as of September 30, 2010

Benefit Status

Number of policyholders, to date, who have received benefit payments.	1,012
Number of policyholders in benefit as of Quarter 3, 2010.	347
Number of policyholders that received benefits and have died.	376
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	40 (68 Exhausted)

Asset protection earned by policyholders to date.	\$51,913,096.59
Asset protection earned to date that will not be accessed (policyholders who have died)	\$16,243,775.88

Service Utilization

Type of Service* (other than case management)	QTY	% of Total Claimants by Type of Service **
Nursing Home Care	674	66.60%
Home Health Aide – hourly care	85	8.40%
Home Health Aide – daily care	116	11.46%
Attendant Care	3	0.30%
Other Institutional	0	0%
Hospital Bed Hold	166	16.40%
Assisted Living	229	22.63%
Adult Day Care	12	1.19%
Personal Care	55	5.43%
Alternate Level of Care	5	0.49%

*These categories are not mutually exclusive; therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

CLAIMANT PROFILE
Cumulative Aggregate of All Policyholders Who Used Benefits
As of September 30, 2010

Gender	Female	66.21%
	Male	35.28%
Marital Status	Not Married	39.92%
	Married	55.53%
	Unknown	4.74%
Average Age At The Time Of Policy Purchase		72
Average Age At The Time Of Claim		78.8
Age Range At Time Of Claim	Range =	44 – 100
	Mean =	79.6
	Median =	79.7
Policy Type Owned:	Nursing Home Only	27.96%
	Nursing Home & Home Care	75.20%

Average time elapsed between purchase date and claim date was 97.20 months (8.1 years)